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Form **990-T**

**Exempt Organization Business Income Tax Return  
(and proxy tax under section 6033(e))**

OMB No 1545-0687

**2011**

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury  
Internal Revenue Service

For calendar year 2011 or other tax year beginning JUNE 01, 2011, and ending MAY 31, 20 12. **See separate instructions.**

<b>A</b> <input type="checkbox"/> Check box if address changed <b>B</b> Exempt under section <input checked="" type="checkbox"/> 501(C)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a) <b>C</b> Book value of all assets at end of year <u>2,002,538,220</u>	<b>Print or Type</b> Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions ) <b>BAYLOR UNIVERSITY</b> Number, street, and room or suite no. If a P O box, see instructions <b>ONE BEAR PLACE 97043</b> City or town, state, and ZIP code <b>WACO, TX 76798-7043</b>	<b>D</b> Employer identification number (Employees' trust, see instructions) <b>74-1159753</b>
		<b>E</b> Unrelated business activity codes (See instructions) 525990      541800
		<b>F</b> Group exemption number (See instructions.) <b>G</b> Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust

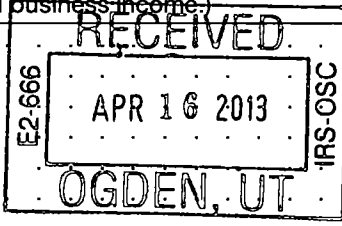
**H** Describe the organization's primary unrelated business activity. **SEE SUPPLEMENTAL INFORMATION**

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?  Yes  No  
If "Yes," enter the name and identifying number of the parent corporation.

**J** The books are in care of **BOB C. SPENCE** Telephone number **(254)710-3731**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales	1,079,287		
b	Less returns and allowances			
	<b>c Balance</b>	<b>1c</b>		
2	Cost of goods sold (Schedule A, line 7)	28,999		
3	Gross profit. Subtract line 2 from line 1c	1,050,288		1,050,288
4a	Capital gain net income (attach Schedule D)	1,846,098		1,846,098
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			0
c	Capital loss deduction for trusts			0
5	Income (loss) from partnerships and S corporations (attach statement)	-340,330		-340,330
6	Rent income (Schedule C)	69,591	106	69,485
7	Unrelated debt-financed income (Schedule E)			0
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)			0
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			0
10	Exploited exempt activity income (Schedule I)			0
11	Advertising income (Schedule J)			0
12	Other income (See instructions; attach schedule.)			
13	<b>Total.</b> Combine lines 3 through 12	2,625,647	106	2,625,541

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14	Compensation of officers, directors, and trustees (Schedule K)		
15	Salaries and wages		25,623
16	Repairs and maintenance		
17	Bad debts		
18	Interest (attach schedule)		
19	Taxes and licenses		4,761
20	Charitable contributions (See instructions for limitation rules.)		
21	Depreciation (attach Form 4562)		
22	Less depreciation claimed on Schedule A and elsewhere on return		0
23	Depletion		
24	Contributions to deferred compensation plans		
25	Employee benefit programs		
26	Excess exempt expenses (Schedule I)		
27	Excess readership costs (Schedule J)		
28	Other deductions (attach schedule)		32,530
29	<b>Total deductions.</b> Add lines 14 through 28		62,914
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		2,562,627
31	Net operating loss deduction (limited to the amount on line 30)		2,562,627
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		0
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)		1,000
34	<b>Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		0



APR 15 2013

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For Paperwork Reduction Act Notice, see instructions.

Cat No 11291J

Form 990-T (2011)

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**Part III Tax Computation**

<b>35 Organizations Taxable as Corporations.</b> See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> <b>See instructions</b> and:		
<b>a</b> Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____		
<b>b</b> Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____		
<b>c</b> Income tax on the amount on line 34	<b>35c</b>	0
<b>36 Trusts Taxable at Trust Rates.</b> See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	<b>36</b>	
<b>37 Proxy tax.</b> See instructions	<b>37</b>	
<b>38</b> Alternative minimum tax	<b>38</b>	0
<b>39 Total.</b> Add lines 37 and 38 to line 35c or 36, whichever applies	<b>39</b>	0

**Part IV Tax and Payments**

<b>40a</b> Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	<b>40a</b>	
<b>b</b> Other credits (see instructions)	<b>40b</b>	
<b>c</b> General business credit. Attach Form 3800	<b>40c</b>	
<b>d</b> Credit for prior year minimum tax (attach Form 8801 or 8827)	<b>40d</b>	
<b>e Total credits.</b> Add lines 40a through 40d	<b>40e</b>	0
<b>41</b> Subtract line 40e from line 39	<b>41</b>	0
<b>42</b> Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	<b>42</b>	0
<b>43 Total tax.</b> Add lines 41 and 42	<b>43</b>	0
<b>44a</b> Payments A 2010 overpayment credited to 2011	<b>44a</b>	
<b>b</b> 2011 estimated tax payments	<b>44b</b>	
<b>c</b> Tax deposited with Form 8868	<b>44c</b>	
<b>d</b> Foreign organizations: Tax paid or withheld at source (see instructions)	<b>44d</b>	
<b>e</b> Backup withholding (see instructions)	<b>44e</b>	
<b>f</b> Credit for small employer health insurance premiums (Attach Form 8941)	<b>44f</b>	
<b>g</b> Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Other 0 Total	<b>44g</b>	0
<b>45 Total payments.</b> Add lines 44a through 44g	<b>45</b>	0
<b>46</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	<b>46</b>	
<b>47 Tax due.</b> If line 45 is less than the total of lines 43 and 46, enter amount owed	<b>47</b>	0
<b>48 Overpayment.</b> If line 45 is larger than the total of lines 43 and 46, enter amount overpaid	<b>48</b>	0
<b>49</b> Enter the amount of line 48 you want <b>Credited to 2012 estimated tax</b> 0 <b>Refunded</b>	<b>49</b>	0

**Part V Statements Regarding Certain Activities and Other Information** (see instructions)

<b>1</b> At any time during the 2011 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here <u>CJ, CH, SP, UK</u>	Yes	No
<b>2</b> During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.		✓
<b>3</b> Enter the amount of tax-exempt interest received or accrued during the tax year <b>\$</b> 11,318		

**Schedule A—Cost of Goods Sold.** Enter method of inventory valuation  Not Applicable

<b>1</b> Inventory at beginning of year	<b>1</b>	0	<b>6</b> Inventory at end of year	<b>6</b>	0
<b>2</b> Purchases	<b>2</b>	17,312	<b>7</b> <b>Cost of goods sold.</b> Subtract line 6 from line 5. Enter here and in Part I, line 2	<b>7</b>	28,999
<b>3</b> Cost of labor	<b>3</b>	11,687	<b>8</b> Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
<b>4a</b> Additional section 263A costs (attach schedule)	<b>4a</b>				✓
<b>b</b> Other costs (attach schedule)	<b>4b</b>	0			
<b>5 Total.</b> Add lines 1 through 4b	<b>5</b>	28,999			

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

**Sign Here** Bob C. Spencer 4/15/13 Assoc. V.P. For Financial Services & Treasurer

Signature of officer Date Title

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name			Firm's EIN	
	Firm's address			Phone no	

**Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)**  
(see instructions)

**1. Description of property**

(1) UNIVERSITY FACILITIES WITH SERVICES PROVIDED

(2)  
(3)  
(4)

**2. Rent received or accrued**

(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)	69,591	106
(2)		
(3)		
(4)		
<b>Total</b>	<b>0</b>	<b>Total 69,591</b>

**(c) Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **69,591** ▶

**(b) Total deductions.** Enter here and on page 1, Part I, line 6, column (B) **106** ▶

**Schedule E—Unrelated Debt-Financed Income (see instructions)**

1. Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 × column 6)	8. Allocable deductions (column 6 × total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		

Enter here and on page 1, Part I, line 7, column (A) **0** ▶

**Totals**

**Total dividends-received deductions** included in column 8 **0** ▶

**Schedule F—Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)**

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

**Nonexempt Controlled Organizations**

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) **0** ▶

**Totals**

**Schedule G—Investment Income of a Section 501(c)(7), (9), or (17) Organization** (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col 3 plus col 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b>		Enter here and on page 1, Part I, line 9, column (A).		Enter here and on page 1, Part I, line 9, column (B).

**Schedule I—Exploited Exempt Activity Income, Other Than Advertising Income** (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols 5 through 7	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals</b>		Enter here and on page 1, Part I, line 10, col (A)	Enter here and on page 1, Part I, line 10, col (B)			Enter here and on page 1, Part II, line 26

**Schedule J—Advertising Income** (see instructions)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals (carry to Part II, line (5))</b>		0	0	0	0	

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I</b>		0	0			
<b>Totals, Part II (lines 1-5)</b>		Enter here and on page 1, Part I, line 11, col (A)	Enter here and on page 1, Part I, line 11, col (B)			Enter here and on page 1, Part II, line 27

**Schedule K—Compensation of Officers, Directors, and Trustees** (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
<b>Total.</b> Enter here and on page 1, Part II, line 14			

**SCHEDULE D  
(Form 1120)**

Department of the Treasury  
Internal Revenue Service

**Capital Gains and Losses**

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.

▶ See separate instructions.

OMB No 1545-0123

**2011**

Name

**Baylor University**

Employer identification number

**74-1159753**

**Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less**

(a) Description of property (Example 100 shares of Z Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
<b>1</b>					
<b>See STATEMENT 1</b>					<b>63,724</b>
<b>2</b> Short-term capital gain from installment sales from Form 6252, line 26 or 37 . . . . .					<b>2</b>
<b>3</b> Short-term gain or (loss) from like-kind exchanges from Form 8824 . . . . .					<b>3</b>
<b>4</b> Unused capital loss carryover (attach computation) . . . . .					<b>4</b> ( )
<b>5</b> Net short-term capital gain or (loss). Combine lines 1 through 4 . . . . .					<b>5</b> <b>63,724</b>

**Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year**

<b>6</b>					
<b>See STATEMENT 2</b>					<b>1,782,374</b>
<b>7</b> Enter gain from Form 4797, line 7 or 9 . . . . .					<b>7</b>
<b>8</b> Long-term capital gain from installment sales from Form 6252, line 26 or 37 . . . . .					<b>8</b>
<b>9</b> Long-term gain or (loss) from like-kind exchanges from Form 8824 . . . . .					<b>9</b>
<b>10</b> Capital gain distributions (see instructions) . . . . .					<b>10</b>
<b>11</b> Net long-term capital gain or (loss). Combine lines 6 through 10 . . . . .					<b>11</b> <b>1,782,374</b>

**Part III Summary of Parts I and II**

<b>12</b> Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11) . . . . .		<b>12</b> <b>63,724</b>
<b>13</b> Net capital gain Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5) . . . . .		<b>13</b> <b>1,782,374</b>
<b>14</b> Add lines 12 and 13. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns . . . . .		<b>14</b> <b>1,846,098</b>

**Note.** If losses exceed gains, see **Capital losses** in the instructions.

## SCHEDULE D, Part I, SHORT-TERM CAPITAL GAINS AND LOSSES

(a)	(b)	(c)	(d)	(e)	(f)
Property Description	Date Acquired	Date Sold	Sales Price	Cost or Other Basis	Gain or (Loss)
Flow-Through From Centerbridge Capital Partners AIV II, LP	Various	Various			71,975
Flow-Through From Reservoir Capital Investment Partners (Cayman), LP	Various	Various			(8,814)
Flow-Through From Rockpoint Real Estate Fund III, LP	Various	Various			563
Total to Schedule D, Line 1					<u>63,724</u>

## SCHEDULE D, Part II, LONG-TERM CAPITAL GAINS AND LOSSES

(a)	(b)	(c)	(d)	(e)	(f)
Property Description	Date Acquired	Date Sold	Sales Price	Cost or Other Basis	Gain or (Loss)
Flow-Through From Capital Dynamics Real Estate II, L.P.	Various	Various			4,305
Flow-Through From Centerbridge Capital Partners AIV II, LP	Various	Various			1,129,795
FCT Bancshares, Inc.	Various	Various			119
Flow-Through From Kayne Anderson Energy III (QP), LP	Various	Various			681
Flow-Through From Reservoir Capital Investment Partners (Cayman), LP	Various	Various			(2,294)
Flow-Through From Rockpoint Real Estate Fund III, LP	Various	Various			649,768
Total to Schedule D, Line 6					<u>1,782,374</u>



**Supplemental Information to Form 990-T**

Complete to provide information for responses to specific questions on  
Form 990-T or to provide any additional information

**2011**

Open to Public Inspection for  
501(c)(3) Organizations Only

Name of the Organization  
**BAYLOR UNIVERSITY**

Employer Identification Number  
**74-1159753**

Return Reference	Identifier	Explanation
FORM 990-T, SECTION H	ORGANIZATIONS PRIMARY UNRELATED BUSINESS ACTIVITY	INCOME IS FROM UNRELATED BUSINESS ACTIVITIES INCLUDING ADVERTISING, PARTNERSHIP AND S-CORPORATION INVESTMENTS, MERCHANDISE SALES AND RENTALS

**Form 990-T Part I, Line 5, Income (loss) from partnerships and S corporations**

Name of Partnership	EIN	Amount
(1) AG Super Fund, LP	13-3701947	6,682
(2) American Private Equity Partners, LP	75-2906244	-2,119
(3) B IV Capital Partners, LP	71-0882125	-16,312
(4) Capital Dynamics Champion Ventures IV (Q), LP	20-3114643	-3,725
(5) Capital Dynamics Real Estate II, LP	01-0823703	-96,569
(6) Centerbridge Capital Partners AIV II, LP	20-5672564	11,141
(7) Chase Capital Partners Private Equity Fund of Funds II, Ltd	98-0227519	1,061
(8) Citystar Aviation Holdco, LP	98-0599713	2,685
(9) E2M Value Added Fund (Tax Exempt), LP	20-4069743	-33,576
(10) Emerald Hill Capital Partners I, LP	98-0496825	-44,220
(11) FCT Bancshares	74-2756209	157,551
(12) GMO Forestry Fund 8-B, LP	20-1941648	-9,593
(13) Kayne Anderson Energy Fund III (QP), LP	83-0407922	108,105
(14) Kayne Anderson Private Investors II (QP), LP	20-3795759	28,540
(15) Knightsbridge Integrated Holdings V, LP	73-1583448	-20
(16) MAC Destination Resorts	26-1817925	-457,369
(17) Mary E & Jerry C Marcontell	76-0531915	-443
(18) New Century Holdings XI, LP	98-0198104	-6,602
(19) Permal Private Equity Opportunities II, LP	51-0507610	-1,915
(20) Private Advisors Small Company Buyout Fund, LP	54-2025625	8,108
(21) Reservoir Capital Investment Partners (Cayman), LP	98-0481298	56,331
(22) Rockpoint Real Estate Fund III, LP	26-0302858	-56,814
(23) SVB Strategic Investors Fund II, LP	91-2187963	6,954
(24) SVB Strategic Investors Fund III, LP	20-3076856	1,789
	<b>Total</b>	<b>-340,330</b>

**Form 990-T Part II, Line 19, Taxes and Licenses**

Description	Amount
(1) Sales tax paid to state on concession sales	4,761

**Form 990-T Part II, Line 28, Other Deductions**

Description	Amount
(1) Supplies	8,384
(2) Utilities	15,561
(3) Indirect Expenses	8,585
<b>Total</b>	<b>32,530</b>

## Form 990-T Part II, Net Operating Loss Deduction Carryback/Carryforward Schedule

<u>Year</u>	<u>NOL</u>	<u>NOL Carryback/Carryover</u>	<u>Unused Loss</u>
2005		359,001	4,414,196
2006	395,679	0	4,809,875
2007		1,811,646	2,998,229
2008 (NOL Year)	4,773,197	0	2,998,229
2009		185,715	2,812,514
2010	413,814	0	3,226,328
2011		2,562,627	663,701

**Schedule C, Line 3(a), Deductions directly connected with the income in columns 2(a) and 2(b)**

(1) University Facilities with services provided	Description	Amount
	Custodial Services	106

**Alternative Minimum Tax—Corporations**

OMB No 1545-0175

**2011**

▶ See separate instructions.  
 ▶ Attach to the corporation's tax return.

Name <b>Baylor University</b>	Employer identification number <b>74-1159753</b>
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**Note:** See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

<b>1</b> Taxable income or (loss) before net operating loss deduction . . . . .		<b>1</b>	<b>2,562,627</b>
<b>2 Adjustments and preferences:</b>			
<b>a</b> Depreciation of post-1986 property . . . . .		<b>2a</b>	<b>(15,219)</b>
<b>b</b> Amortization of certified pollution control facilities . . . . .		<b>2b</b>	
<b>c</b> Amortization of mining exploration and development costs . . . . .		<b>2c</b>	
<b>d</b> Amortization of circulation expenditures (personal holding companies only) . . . . .		<b>2d</b>	
<b>e</b> Adjusted gain or loss . . . . .		<b>2e</b>	<b>8,865</b>
<b>f</b> Long-term contracts . . . . .		<b>2f</b>	
<b>g</b> Merchant marine capital construction funds . . . . .		<b>2g</b>	
<b>h</b> Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only) . . . . .		<b>2h</b>	
<b>i</b> Tax shelter farm activities (personal service corporations only) . . . . .		<b>2i</b>	
<b>j</b> Passive activities (closely held corporations and personal service corporations only) . . . . .		<b>2j</b>	
<b>k</b> Loss limitations . . . . .		<b>2k</b>	
<b>l</b> Depletion . . . . .		<b>2l</b>	
<b>m</b> Tax-exempt interest income from specified private activity bonds . . . . .		<b>2m</b>	
<b>n</b> Intangible drilling costs . . . . .		<b>2n</b>	<b>5,940</b>
<b>o</b> Other adjustments and preferences . . . . .		<b>2o</b>	<b>12,328</b>
<b>3</b> Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o. . . . .		<b>3</b>	<b>2,574,541</b>
<b>4 Adjusted current earnings (ACE) adjustment:</b>			
<b>a</b> ACE from line 10 of the ACE worksheet in the instructions . . . . .	<b>4a</b>		
<b>b</b> Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions). . . . .	<b>4b</b>		
<b>c</b> Multiply line 4b by 75% (.75). Enter the result as a positive amount . . . . .	<b>4c</b>		
<b>d</b> Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). <b>Note: You must enter an amount on line 4d (even if line 4b is positive).</b> . . . . .	<b>4d</b>		
<b>e</b> ACE adjustment.		<b>4e</b>	<b>0</b>
<ul style="list-style-type: none"> <li>• If line 4b is zero or more, enter the amount from line 4c</li> <li>• If line 4b is less than zero, enter the <b>smaller</b> of line 4c or line 4d as a negative amount</li> </ul>			
<b>5</b> Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT . . . . .		<b>5</b>	<b>2,574,541</b>
<b>6</b> Alternative tax net operating loss deduction (see instructions) . . . . .		<b>6</b>	<b>2,574,541</b>
<b>7</b> <b>Alternative minimum taxable income.</b> Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions . . . . .		<b>7</b>	<b>0</b>
<b>8 Exemption phase-out</b> (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):			
<b>a</b> Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0- . . . . .	<b>8a</b>	<b>0</b>	
<b>b</b> Multiply line 8a by 25% (.25). . . . .	<b>8b</b>	<b>0</b>	
<b>c</b> Exemption. Subtract line 8b from \$40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0- . . . . .		<b>8c</b>	<b>40,000</b>
<b>9</b> Subtract line 8c from line 7. If zero or less, enter -0- . . . . .		<b>9</b>	<b>0</b>
<b>10</b> Multiply line 9 by 20% (.20) . . . . .		<b>10</b>	<b>0</b>
<b>11</b> Alternative minimum tax foreign tax credit (AMTFTC) (see instructions) . . . . .		<b>11</b>	<b>0</b>
<b>12</b> Tentative minimum tax. Subtract line 11 from line 10. . . . .		<b>12</b>	<b>0</b>
<b>13</b> Regular tax liability before applying all credits except the foreign tax credit . . . . .		<b>13</b>	<b>0</b>
<b>14</b> <b>Alternative minimum tax.</b> Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return . . . . .		<b>14</b>	<b>0</b>

### At-Risk Limitations

OMB No 1545-0712

▶ **Attach to your tax return.**  
 ▶ **See separate instructions.**

Attachment  
 Sequence No **31**

Name(s) shown on return  
**Baylor University**

Identifying number  
**74-1159753**

Description of activity (see page 2 of the instructions)

**Investment - limited partner in partnership - MAC Destination Resorts #26-1817925**

**Part I Current Year Profit (Loss) From the Activity, Including Prior Year Nondeductible Amounts.**

See page 2 of the instructions.

1	Ordinary income (loss) from the activity (see page 2 of the instructions)	1	(3,755,305)
2	Gain (loss) from the sale or other disposition of assets used in the activity (or of your interest in the activity) that you are reporting on:		
a	Schedule D	2a	
b	Form 4797	2b	
c	Other form or schedule	2c	
3	Other income and gains from the activity, from Schedule K-1 of Form 1065, Form 1065-B, or Form 1120S, that were not included on lines 1 through 2c	3	
4	Other deductions and losses from the activity, including investment interest expense allowed from Form 4952, that were not included on lines 1 through 2c	4	( )
5	Current year profit (loss) from the activity. Combine lines 1 through 4. See page 3 of the instructions before completing the rest of this form	5	(3,755,305)

**Part II Simplified Computation of Amount At Risk.** See page 3 of the instructions before completing this part.

6	Adjusted basis (as defined in section 1011) in the activity (or in your interest in the activity) on the first day of the tax year. <b>Do not</b> enter less than zero	6	457,369
7	Increases for the tax year (see page 3 of the instructions)	7	0
8	Add lines 6 and 7	8	457,369
9	Decreases for the tax year (see page 4 of the instructions)	9	0
10a	Subtract line 9 from line 8	10a	457,369
b	If line 10a is <b>more</b> than zero, enter that amount here and go to line 20 (or complete Part III). Otherwise, enter -0- and see <b>Pub. 925</b> for information on the recapture rules	10b	457,369

**Part III Detailed Computation of Amount At Risk.** If you completed Part III of Form 6198 for the prior year, see page 4 of the instructions.

11	Investment in the activity (or in your interest in the activity) at the effective date. <b>Do not</b> enter less than zero	11	
12	Increases at effective date	12	
13	Add lines 11 and 12	13	
14	Decreases at effective date	14	
15	Amount at risk (check box that applies):		
a	<input type="checkbox"/> At effective date. Subtract line 14 from line 13. <b>Do not</b> enter less than zero.	15	
b	<input type="checkbox"/> From your prior year Form 6198, line 19b. <b>Do not</b> enter the amount from line 10b of your prior year form.		
16	Increases since (check box that applies):	16	
a	<input type="checkbox"/> Effective date	17	
b	<input type="checkbox"/> The end of your prior year		
17	Add lines 15 and 16		
18	Decreases since (check box that applies):	18	
a	<input type="checkbox"/> Effective date	19a	
b	<input type="checkbox"/> The end of your prior year		
19a	Subtract line 18 from line 17		
b	If line 19a is <b>more</b> than zero, enter that amount here and go to line 20. Otherwise, enter -0- and see <b>Pub. 925</b> for information on the recapture rules	19b	

**Part IV Deductible Loss**

20	<b>Amount at risk.</b> Enter the <b>larger</b> of line 10b or line 19b	20	457,369
21	<b>Deductible loss.</b> Enter the <b>smaller</b> of the line 5 loss (treated as a positive number) or line 20. See page 8 of the instructions to find out how to report any deductible loss and any carryover	21	( 457,369 )

**Note:** If the loss is from a passive activity, see the Instructions for **Form 8582**, *Passive Activity Loss Limitations*, or the Instructions for **Form 8810**, *Corporate Passive Activity Loss and Credit Limitations*, to find out if the loss is allowed under the passive activity rules. If only part of the loss is subject to the passive activity loss rules, report only that part on Form 8582 or Form 8810, whichever applies.



# Application for Extension of Time To File an Exempt Organization Return

(Rev. January 2012)

OMB No 1545-1709

Department of the Treasury  
Internal Revenue Service

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

<b>Type or print</b>  <small>File by the due date for filing your return. See instructions.</small>	Name of exempt organization or other filer, see instructions. <b>BAYLOR UNIVERSITY</b>	Employer identification number (EIN) or <input checked="" type="checkbox"/> <b>74-1159753</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>ONE BEAR PLACE 97043</b>	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>WACO, TX 76798-7043</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

• The books are in the care of ► BOB C SPENCE

Telephone No. ► (254)710-3731 FAX No. ► (254)710-3765

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ . If this is for the whole group, check this box  . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

**1** I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until April 15, 20 13, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
 ►  calendar year 20 \_\_\_\_ or

►  tax year beginning June 01, 20 11, and ending May 31, 20 12.

**2** If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

<b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	0
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Cat No. 27916D

Form **8868** (Rev. 1-2012)